



Consolidated Earnings Report for Fiscal 2024 [Japanese GAAP]

April 25, 2024

Company Name:	KOITO MANUFACTURING CO., LTD.
Stock Listing:	Prime Market, Tokyo Stock Exchange
Code Number:	7276
URL:	https://www.koito.co.jp/english/
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Planned Date of the General Meeting of Shareholders:	June 27, 2024
Scheduled Payment of Dividends:	June 28, 2024
Filing of Securities Report:	June 28, 2024
Supplementary explanatory materials prepared:	Yes
Explanatory meeting:	Yes

(¥ millions are rounded down)

1. Consolidated Results for Fiscal 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Result (¥ millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent	
Fiscal 2024	950,295	9.9%	55,995	19.5%	63,265	30.4%	40,879	37.8%
Fiscal 2023	864,719	13.7%	46,847	△12.3%	48,532	△19.9%	29,660	△22.6%

Note: Comprehensive income: Fiscal 2024: ¥98,108 million (84.6%), Fiscal 2023: ¥53,155 million (△21.3%)

	Net income per share (¥)	Net income per share (diluted) (¥)	Return on equity (%)	Recurring profit to total assets ratio (%)	Operating income to net sales ratio (%)
Fiscal 2024	130.93	130.90	6.3	6.8	5.9
Fiscal 2023	92.26	92.24	4.9	5.5	5.4

Reference: Equity in earnings of affiliated companies: Fiscal 2024: ¥△358 million, Fiscal 2023: ¥△684 million

Note: A 2-for-1 stock split of common stock was conducted, effective as of October 1, 2022. “Net income per share” and “Net income per share (diluted)” are calculated assuming that the stock split was conducted at the beginning of the fiscal 2023.

(2) Consolidated Financial Position (¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
March 31, 2024	965,595	719,270	69.6	2,182.85
March 31, 2023	905,909	670,506	69.4	1,955.44

Reference: Equity: March 31, 2024: ¥ 671,825 million, March 31, 2023: ¥ 628,659 million

Note: A 2-for-1 stock split of common stock was conducted, effective October 1, 2022. “Net assets per share” is calculated assuming that the stock split was conducted at the beginning of the fiscal 2023.

(3) Consolidated Cash Flows (¥ millions)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
Fiscal 2024	96,370	△50,155	△59,677	134,560
Fiscal 2023	59,762	△71,539	△13,281	145,798

2. Dividends

	Dividend per share (¥)					Dividend paid (annual) (¥ millions)	Payout ratio (Consolidated) (%)	Ratio of dividends to net assets (Consolidated) (%)
	First quarter	Second quarter	Third quarter	Year end	Full year			
Fiscal 2023	—	24.00	—	16.00	—	9,001	30.3	1.5
Fiscal 2024	—	25.00	—	28.00	53.00	16,312	40.5	2.6
Fiscal 2025 (forecast)	—	28.00	—	28.00	56.00		41.0	

Note: A 2-for-1 stock split of common stock was conducted, effective as of October 1, 2022. The dividends per share in the second quarter of fiscal 2023 are the actual amount before the stock split.

3. Forecast of Consolidated Results for Fiscal 2025 (April 1, 2024 to March 31, 2025)

(¥ millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Profit attributable to owners of parent		Net income per share (¥)
First half	460,000	△1.7%	22,500	△30.8%	25,500	△30.9%	14,500	△43.2%	47.11
Full year	956,000	0.6%	58,000	3.6%	63,500	0.4%	42,000	2.7%	136.46

*Notes

(1) Changes to important subsidiaries during fiscal 2024 (changes in specified subsidiaries resulting in revised scope of consolidation): None

(2) Changes in accounting principles, accounting estimates and restatements

① Changes in accounting policies in conjunction with revisions to accounting standards: None

② Other changes : None

③ Changes in accounting estimates : None

④ Restatements : None

(3) Number of shares issued (common stock)

① Number of shares issued (including treasury stock): (shares)

March 31, 2024	307,833,172	March 31, 2023	321,578,872
March 31, 2024	58,653	March 31, 2023	86,519
Fiscal 2024	312,231,307	Fiscal 2023	321,489,067

② Number of treasury stocks:

③ Average number of shares during the year:

Note: A 2-for-1 stock split of common stock was conducted, effective as of October 1, 2022. Above number of shares are calculated assuming that the stock split was conducted at the beginning of the fiscal 2023.

《 For Reference Only 》 Non-consolidated Earnings Report for Fiscal 2024

1. Non-consolidated Results for Fiscal 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Business Results (¥ millions; percentage figures represent year-on-year changes)

	Net sales		Operating income		Recurring profit		Net income	
Fiscal 2024	341,254	14.6%	18,393	48.8%	40,000	20.6%	26,092	1.7%
Fiscal 2023	297,838	1.1%	12,358	△30.4%	33,180	△13.6%	25,661	10.4%

	Net income per share (¥)	Net income per share (diluted) (¥)
Fiscal 2024	83.57	83.55
Fiscal 2023	79.82	79.80

Note: A 2-for-1 stock split of common stock was conducted, effective as of October 1, 2022. “Net income per share” and “Net income per share (diluted)” are calculated assuming that the stock split was conducted at the beginning of the fiscal 2023.

(2) Non-consolidated Financial Position

(¥ millions)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (¥)
March 31, 2024	504,022	395,036	78.4	1,283.18
March 31, 2023	498,605	397,982	79.8	1,237.39

Reference: Equity: March 31, 2024: ¥394,930 million, March 31, 2023: ¥397,811 million

Note: A 2-for-1 stock split of common stock was conducted, effective as of October 1, 2022. "Net assets per share" is calculated assuming that the stock split was conducted at the beginning of the fiscal 2023.

2. Forecast of Non-consolidated Results for Fiscal 2025 (April 1, 2024 to March 31, 2025)

(¥ millions; percentage figures represent year-on-year changes)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
First half	165,000 \triangle 3.1%	4,000 \triangle 70.8%	18,000 \triangle 35.2%	14,000 \triangle 27.1%	45.49
Full year	345,000 1.1%	12,500 \triangle 32.0%	33,000 \triangle 17.5%	29,000 11.1%	94.22

*This consolidated earnings report is not subject to the auditing procedures by certified public accountants or auditing firms.

*Explanations concerning proper use of business forecasts and other noteworthy matters

(Notes on future assumptions)

The above forecasts are based on information available, and certain assumptions that are judged to be reasonable, at the time of the release of this report. KOITO is not promising that the Company will achieve these forecasts. Actual results could differ from forecasts due to a variety of factors.

The exchange conversion rate based on the business forecast for fiscal 2025, the year ending March 2025 is calculated as 1.00 US\$ = ¥145.0 and 1 CNY = ¥20.0.

(Supplementary materials for financial results)

For supplementary materials, please see our website. (<https://www.koito.co.jp/english/ir/>)

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1. Outline of Consolidated Results

(1) Outline of Consolidated Results in Fiscal 2024

The economic situation in fiscal 2024 showed a gradual recovery as economic activity began to normalize following the recovery from the COVID-19, but the outlook remained uncertain due to monetary tightening in response to anti-inflation measures in many countries, the stalling of the Chinese economy, as well as heightened geopolitical risks in Ukraine, the Middle East and elsewhere.

As for the global automobile production volume, although sluggish sales of Japanese vehicles in China due to the progress of EVs, the suspension of production and shipments due to the fraud problems of automobile manufacturers in Japan as well as the UAW strike in North America, it increased in all regions compared to the previous year due to the easing of semi-conductor shortages and other factors.

Under these circumstances, the consolidated net sales reached ¥ 950.2 billion (increased by 9.9% year-on-year), a record high for the second consecutive year, due to a recovery in vehicle production, new orders mainly in Japan and North America, and the effect of currency translation, despite sales in China decreased due to lower production of Japanese vehicles.

The results by segment are as follows.

[Japan]

Despite there was the impact of the suspension of production and shipments caused by fraud problems at automobile manufacturers in the second half of the period, the net sales increased by 12.7% year-on-year to ¥361.7 billion due to an increase in automobile production as a result of an easing of the semiconductor shortage and a recovery in exports due to the weakened yen.

[North America]

Despite the impact of the UAW strike and cold wave, the net sales increased by 14.5% year-on-year to ¥286.5 billion due to a recovery in vehicle production and new orders, as well as the effect of foreign exchange conversion.

[China]

Although vehicle production increased compared to the previous year due to increased sales by local automakers as a result of the shift to EVs, the net sales decreased by 11.5% year-on-year to ¥82.3 billion as a result of continued sluggish sales of Japanese vehicles.

[Asia]

Despite there were production cuts in Thailand and Indonesia due to sluggish sales following rising interest rates and other factors, the net sales increased by 5.3% year-on-year to ¥153.3 billion due to factors such as an increase in overall vehicle production and the effect of foreign exchange conversion, as demand increased in India in line with economic growth.

[Europe]

The net sales increased by 19.8% year-on-year to ¥49.8 billion, mainly due to a recovery in vehicle production and the effect of foreign exchange conversion.

[Others]

The net sales increased by 26.5% year-on-year to ¥ 16.4 billion, due to a recovery in vehicle production, new orders and the effect of foreign exchange conversion.

Regarding profits, although we saw impacts of production and shipping stoppages caused by our clients, inflation in various countries and soaring labor costs caused by the tightened employment situations mainly in North America, the operating income increased by 19.5% to ¥55.9 billion, recurring profit increased by 30.4% to ¥63.2 billion and net income attributable to owners of the parent increased by 37.8% to ¥40.8 billion, due to the effect of increased sales in Japan, North America and elsewhere, as well as the promotion of rationalization activities, including group-wide productivity improvements.

(2) Outline of Financial Position in Fiscal 2024

-1. Assets, liabilities and net assets

Total assets at the end of fiscal 2024, despite there was a decrease in cash and time deposits due to the repurchase of the Company's treasury stocks, increased by ¥59.6 billion from the end of the previous fiscal year to ¥965.5 billion due to an increase in investment securities.

Total liabilities increased by ¥10.9 billion from the end of the previous fiscal year to ¥246.3 billion due to an increase of deferred income tax liabilities as higher share prices.

Total net assets increased by ¥48.7 billion from the end of the previous fiscal year to ¥719.2 billion due to an increase in translation adjustments for the weakened Yen.

-2. Cash flows

Cash flows from the operating activities provided ¥96.3 billion, mainly reflecting the net income before income taxes of ¥59.4 billion and depreciation of ¥44.0 billion, which secured net cash of ¥96.3 billion (the previous fiscal year: ¥59.7 billion) after payment of taxes.

Cash flows from investing activities resulted in payments of ¥50.1 billion (the previous fiscal year: payments of ¥71.5 billion) as a result of proceeds from time deposits of ¥145.5 billion, payments into time deposits of ¥139.0 billion, and acquisitions of property and equipment of ¥37.1 billion.

Cash flows from financing activities resulted in payments of ¥59.6 billion (the previous fiscal year: payment of ¥13.2 billion), the result of mainly reflecting repurchase of the Company's treasury stock of ¥35.0 and the dividend paid of ¥14.2 billion.

As a result, cash and cash equivalents at the end of the fiscal 2024 decreased by ¥11.2 billion from the end of the previous fiscal year to ¥134.5 billion

(3) Forecasts for Fiscal 2025

Although the outlook for global automobile production in the fiscal year ending March 31, 2025 remains uncertain, global automobile production is expected to increase slightly compared to the previous fiscal year, reflecting gradual recovery in Japan.

Consolidated sales are expected to increase for the fourth consecutive year due to new orders in Japan and North America, despite the effects of the continuing slump in sales of Japanese vehicles in China and the termination of production of ordered models in Europe. Regarding the profit, despite rising costs caused by continued inflation and labor shortages in various countries, as well as an increase in investments for new orders, R&D investments for the future, operating income, recurring profit, and the net income attributable to the owners of the parent are expected to increase year on year due to the effect of increasing sales, productivity improvements and continuous rationalize operations.

(4) Basic Earnings Distribution Policies and Dividend Payments for Fiscal 2023 and Fiscal 2024

KOITO is committed to further increasing its corporate value and enhancing returns to shareholders through business investment for sustainable growth. Regarding dividends, KOITO's policy is to continuously pay stable dividends to shareholders based on the comprehensive evaluation of our present business results, business climate, etc.

In the First Medium-Term Management Plan announced on 28 March 2024, KOITO stated that it aims to achieve a consolidated dividend payout ratio of 40% or more and that achieve shareholder returns of 200 billion yen or more total for the five-year period from fiscal 2025 to fiscal 2029.

On the basis of the above policies, the year-end dividend is scheduled to be ¥28 per share, an increase of ¥12 per share from the end of the previous fiscal year. The full year dividend for this fiscal year, including the interim dividend, is scheduled to be ¥53 per share (consolidated payout ratio: 40.5%) which is ¥25 higher than the previous year.

Regarding the forecast of dividends of fiscal 2025, the company plans to pay an interim dividend of ¥28 per share and a year-end dividend of ¥28 per share, for a full year dividend of ¥56 per share (consolidated payout ratio: 41.0%), an increase of 3 yen over the previous fiscal year.

Looking ahead, KOITO will continue efforts to achieve higher earnings to meet the expectations of all shareholders.

The differences between the actual results for fiscal 2024 herein and the previous forecasts (consolidated and non-consolidated) issued in the "Consolidated Earnings Report for the Third Quarter of Fiscal 2024" dated January 30, 2024, are as follows:

(¥ millions, ¥ millions are rounded down)

Consolidated Results for Fiscal 2024

	Net sales	Operating income	Recurring profit	Profit attributable to owners of parent	Net income per share (¥)
Previously announced forecast (A)	945,000	66,000	72,000	48,500	157.58
Actual results for fiscal 2024 (B)	950,295	55,995	63,265	40,879	130.93
Difference (B-A)	5,295	△10,005	△8,735	△7,621	—
Change (%)	0.6	△15.2	△12.1	△15.7	—
(Reference) Actual results for previous year (fiscal 2023)	864,719	46,847	48,532	29,660	92.26

(Reference) Non-Consolidated Results for Fiscal 2024

	Net sales	Operating income	Recurring profit	Net income	Net income per share (¥)
Previously announced forecast (A)	348,000	24,500	44,000	31,000	100.72
Actual results for fiscal 2024 (B)	341,254	18,393	40,000	26,092	83.57
Difference (B-A)	△6,746	△6,107	△4,000	△4,908	—
Change (%)	△1.9	△24.9	△9.1	△15.8	—
(Reference) Actual results for previous year (fiscal 2023)	297,838	12,358	33,180	25,661	79.82

2. Basic Approach in Selection of Accounting Standard

KOITO applies generally accepted account principles (GAAP) of Japan as its accounting standard, mainly to ensure its financial statements are comparable with past years.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(¥ millions)

	Fiscal 2023 As of March 31, 2023	Fiscal 2024 As of March 31, 2024
Assets		
Current assets:		
Cash and time deposits	315,039	302,874
Trade notes	5,060	6,382
Electronically recorded monetary claims-operating	9,391	8,699
Accounts receivable	131,104	127,597
Contract Assets	3,136	1,468
Inventories	95,669	95,796
Other current assets	34,912	40,040
Allowance for doubtful accounts	△271	△360
Total current assets	594,042	582,498
Non-current assets:		
Property, plant and equipment:		
Buildings and structures (net)	56,363	59,416
Machinery and transportation equipment (net)	78,745	85,024
Fixtures, equipment and tools (net)	18,462	20,226
Land	18,572	19,078
Construction in progress	16,804	16,424
Other property, plant and equipment	5,372	6,136
Total property, plant and equipment	194,320	206,305
Intangible fixed assets	2,692	2,482
Investments and other assets:		
Investment securities		
Marketable Securities	95,510	147,537
Claims provable in bankruptcy, claims provable in rehabilitation and other	270	452
Deferred income tax assets	13,288	19,563
Net defined assets for retirement benefits	2,849	3,677
Other investments	3,325	3,646
Allowance for doubtful accounts	△390	△568
Total investments and other assets	114,853	174,308
Total non-current assets	311,866	383,096
Total assets	905,909	965,595

(¥ millions)

	Fiscal 2023 As of March 31, 2023	Fiscal 2024 As of March 31, 2024
Liabilities		
Current liabilities:		
Trade notes and accounts payable	107,216	103,100
Electronically recorded monetary obligations-operating	3,712	3,036
Short-term loans	22,647	14,295
Accrued expenses	24,693	28,613
Income taxes payable	7,225	9,857
Contract Liabilities	2,017	3,110
Allowance for employees' bonuses	6,386	6,720
Reserve for product warranties	3,560	3,246
Other current liabilities	9,457	20,497
Total current liabilities	186,918	192,479
Non-current liabilities:		
Deferred income tax liabilities	17,567	27,879
Allowance for directors' and corporate auditors' retirement benefits	321	312
Reserve for product warranties	4,105	3,436
Net defined liability for retirement benefits	20,987	16,253
Other non-current liabilities	5,500	5,963
Total non-current liabilities	48,483	53,845
Total liabilities	235,402	246,324
Net assets		
Shareholders' equity:		
Common stock	14,270	14,270
Additional paid-in capital	13,420	13,188
Retained earnings	530,939	524,380
Treasury common stock, at cost	△45	△148
Total shareholders' equity	558,585	551,691
Accumulated other comprehensive income:		
Other Valuation adjustment on marketable securities	24,942	43,791
Foreign currency translation adjustments	43,019	71,499
Adjustments in defined benefit plans	2,111	4,843
Total accumulated other comprehensive income	70,073	120,133
Subscription rights to shares	171	106
Non-controlling interests	41,675	47,338
Total net assets	670,506	719,270
Total liabilities and net assets	905,909	965,595

(2) Consolidated Statements of Income and Comprehensive Income

(¥ millions)

	Fiscal 2023 April 1, 2022 to March 31, 2023	Fiscal 2024 April 1, 2023 to March 31, 2024
Net sales	864,719	950,295
Cost of sales	768,889	843,620
Gross profit	95,829	106,674
Selling, general and administrative expenses:		
Selling expenses	15,709	16,835
General and administrative expenses	33,273	33,843
Selling, general and administrative expenses	48,982	50,679
Operating income	46,847	55,995
Non-operating income:		
Interest income	1,842	3,514
Dividends	1,416	1,659
Foreign exchange gains	—	2,473
Other non-operating income	3,100	2,330
Total non-operating income	6,360	9,977
Non-operating expenses:		
Interest expenses	921	548
Shares of loss of entities accounted for using equity method	684	358
Foreign exchange losses	2,009	—
Loss on investment partnership management	157	360
Share acquisition-related expenses	—	454
Other non-operating expenses	902	987
Total non-operating expenses	4,675	2,708
Recurring profit	48,532	63,265
Extraordinary gains:		
Gain on sales of property and equipment	12,000	163
Gain on sales of investment securities	—	4,192
Other extra ordinary gains	487	197
Total extraordinary gains	12,488	4,553
Extraordinary losses:		
Loss on sales and disposal of property and equipment	855	881
Loss on valuation of investment securities	10,109	331
Impairment loss	609	681
Loss on disasters	371	—
Compensation payment for damages	—	5,913
Other extra ordinary losses	—	520
Total extraordinary losses	11,945	8,329
Income before income taxes	49,074	59,489
Income tax, inhabitant tax and business tax	13,947	19,860
Income tax adjustment	876	△5,240
Total income taxes	14,824	14,619
Profit	34,250	44,870
(Breakdown)		
Profit attributable to owners of parent	29,660	40,879
Profit attributable to non-controlling interests	4,589	3,990

(¥ millions)

	Fiscal 2023 April 1, 2022 to March 31, 2023	Fiscal 2024 April 1, 2023 to March 31, 2024
Other comprehensive income or loss		
Valuation adjustment on marketable securities	1,403	18,866
Translation adjustments	17,243	31,629
Adjustments in defined benefit plans	216	2,731
Share of other comprehensive income of entities accounted for using equity method	42	10
Total other comprehensive income	18,905	53,238
Comprehensive income	53,155	98,108
(Breakdown)		
Comprehensive income attributable to owners of parent	46,355	90,939
Comprehensive income attributable to non-controlling interests	6,800	7,169

(3) Consolidated Statements of Changes in Shareholders' Equity

Fiscal 2023 (April 1, 2022 to March 31, 2023)

(¥ millions)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury common stock, at cost	Total shareholders' equity
Balance at beginning of year	14,270	13,399	509,958	△49	537,578
Changes during fiscal year					
Dividends from retained earnings	—	—	△8,680	—	△8,680
Profit attributable to owners of parent	—	—	29,660	—	29,660
Purchases of treasury stock	—	—	—	△1	△1
Disposal of treasury stock	—	21	—	6	27
Cancellation of treasury stock	—	—	—	—	—
Transfer from retained earnings to additional paid-in capital	—	—	—	—	—
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—
Total changes during fiscal year	—	21	20,980	4	21,006
Balance at fiscal year-end	14,270	13,420	530,939	△45	558,585

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation adjustment on marketable securities	Translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	23,560	27,924	1,895	53,379	199	36,157	627,315
Changes during fiscal year							
Dividends from retained earnings	—	—	—	—	—	—	△8,680
Profit attributable to owners of parent	—	—	—	—	—	—	29,660
Purchases of treasury stock	—	—	—	—	—	—	△1
Disposal of treasury stock	—	—	—	—	—	—	27
Cancellation of treasury stock	—	—	—	—	—	—	—
Transfer from retained earnings to additional paid-in capital	—	—	—	—	—	—	—
Changes in items other than shareholders' equity during fiscal year (net)	1,382	15,095	216	16,694	△27	5,517	22,184
Total changes during fiscal year	1,382	15,095	216	16,694	△27	5,517	43,191
Balance at fiscal year-end	24,942	43,019	2,111	70,073	171	41,675	670,506

Fiscal 2024 (April 1, 2023 to March 31, 2024)

(¥ millions)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury common stock, at cost	Total shareholders' equity
Balance at beginning of year	14,270	13,420	530,939	△45	558,585
Changes during fiscal year					
Dividends from retained earnings	—	—	△12,838	—	△12,838
Profit attributable to owners of parent	—	—	40,879	—	40,879
Purchases of treasury stock	—	—	—	△35,000	△35,000
Disposal of treasury stock	—	△8	—	73	64
Cancellation of treasury stock	—	△34,823	—	34,823	—
Transfer from retained earnings to additional paid-in capital	—	34,598	△34,598	—	—
Changes in items other than shareholders' equity during fiscal year (net)	—	—	—	—	—
Total changes during fiscal year	—	△232	△6,558	△103	△6,894
Balance at fiscal year-end	14,270	13,188	524,380	△148	551,691

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation adjustment on marketable securities	Translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	24,942	43,019	2,111	70,073	171	41,675	670,506
Changes during fiscal year							
Dividends from retained earnings	—	—	—	—	—	—	△12,838
Profit attributable to owners of parent	—	—	—	—	—	—	40,879
Purchases of treasury stock	—	—	—	—	—	—	△35,000
Disposal of treasury stock	—	—	—	—	—	—	64
Cancellation of treasury stock	—	—	—	—	—	—	—
Transfer from retained earnings to additional paid-in capital	—	—	—	—	—	—	—
Changes in items other than shareholders' equity during fiscal year (net)	18,848	28,479	2,731	50,060	△64	5,663	55,658
Total changes during fiscal year	18,848	28,479	2,731	50,060	△64	5,663	48,764
Balance at fiscal year-end	43,791	71,499	4,843	120,133	106	47,338	719,270

(4) Consolidated Statements of Cash Flows

(¥ millions)

	Fiscal 2023 April 1, 2022 to March 31, 2023	Fiscal 2024 April 1, 2023 to March 31, 2024
Cash flows from operating activities		
Income before income taxes	49,074	59,489
Depreciation	41,324	44,000
Impairment loss	609	681
Equity in earnings of affiliated companies	684	358
Provision for allowance for doubtful accounts	134	236
Net defined assets and liability for retirement benefits	△1,780	△1,560
Provision for reserve for bonuses	871	139
Reserve for product warranties	△611	△1,172
Interest and dividends received	△3,259	△5,173
Insurance claim received	△487	△37
Interest payments	921	548
Gain or loss on sale of marketable and investment securities	—	△4,192
Gain or loss on valuation of marketable and investment securities	10,196	691
Gain or loss on sale of property and equipment	△11,144	718
Compensation payment for damages	—	5,913
Loss on disasters	371	—
Increase or decrease in trade notes and accounts receivable	△17,107	11,986
Increase or decrease in inventories	△2,949	5,678
Increase or decrease in other current assets	4,360	△698
Increase or decrease in trade notes and accounts payable	1,495	△9,338
Increase or decrease in accrued expenses and other current liabilities	△530	1,890
Others	△983	△972
Subtotal	71,188	109,189
Interest and dividend received	3,234	5,080
Interest paid	△921	△548
Compensation payment for damages paid	—	△20
Lost related to the Act on Prohibition to Private Monopolization and Maintenance of Fair Trade	△68	—
Received from damages	487	37
Income taxes paid	△14,158	△17,368
Net cash provided by operating activities	59,762	96,370
Cash flows from investing activities		
Payments into time deposits	△164,584	△139,049
Proceeds from the redemption of time deposits	152,781	145,585
Payments for purchase of marketable and investment securities	△31,525	△27,756
Proceeds from sale of marketable and investment securities	—	6,388
Acquisition of property and equipment	△39,834	△37,115
Gain or loss on sale of property and equipment	12,230	△210
Payments for new loans	△5,801	△8
Proceeds from loan repayments	5,805	5
Others	△610	2,005
Net cash used in investing activities	△71,539	△50,155

(¥ millions)

	Fiscal 2023 April 1, 2022 to March 31, 2023	Fiscal 2024 April 1, 2023 to March 31, 2024
Cash flows from financing activities		
Increase or decrease in short-term loans	△2,032	△9,899
Repayment of long-term debt	△628	—
Payments for repurchase of treasury stock	△1	△35,000
Proceeds from exercise of stock options	0	0
Dividends paid by parent company	△8,685	△12,834
Dividends paid to non-controlling shareholders	△1,198	△1,426
Others	△734	△516
Net cash used in financing activities	△13,281	△59,677
Effect of exchange rate changes on cash and cash equivalents	1,274	2,224
Increase in cash and cash equivalents	△23,783	△11,237
Cash and cash equivalents at beginning of year	169,581	145,798
Cash and cash equivalents at end of year	145,798	134,560

(5) Notes to Consolidated Financial Statements
(Going Concern Assumption)
None.

(Segment Information)**【Segment Information】**

1. Overview of Reporting Segments

The KOITO Group produces primarily automotive lighting equipment in Japan and overseas, and supplies products to countries around the world as a global supplier. Each local subsidiary is an independent business entity, and the Group does business by establishing a comprehensive plan for each region. The Company's six reporting segments are therefore geographical segments based on production and sales structures, comprising Japan, North America, China, Asia, Europe and Other regions.

Within each of these geographical segments are segments that produce and sell automotive lighting equipment, railroad car control equipment, aircraft components, and seats for railroad cars and aircraft.

2. Calculation for Net Sales, Segment Income or Loss, Assets, Liabilities and Others of Reporting Segments

Accounting treatment for reporting segments are same as Consolidated Financial Statements.

Income of reporting segments is based on operating income.

Inter-segment sales and transfers are based on general market prices.

3. Information Concerning Net Sales and Operating Income or Loss for Each Segment

I Fiscal 2023 (April 1, 2022 to March 31, 2023)

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales									
Sales to outside customers	321,074	250,365	93,031	145,662	41,576	13,009	864,719	—	864,719
Inter-segment sales and transfers	23,484	66	2,496	3,680	61	—	29,789	(29,789)	—
Total	344,559	250,431	95,527	149,342	41,638	13,009	894,508	(29,789)	864,719
Segment operating income or loss	24,700	1,283	3,913	14,778	△115	1,012	45,573	1,273	46,847
Segment assets	185,657	141,321	104,810	135,999	30,309	14,739	612,839	293,069	905,909
Other items									
Depreciation	17,339	9,614	4,591	6,924	2,462	311	41,244	79	41,324
Impairment loss	609	—	—	—	—	—	609	—	609
Increase in property, plant and equipment and intangible fixed assets	22,438	10,159	3,685	4,842	687	631	42,446	—	42,446

Notes: 1. Adjustments are as follows:

- (1) The ¥1,273 million adjustment in segment operating income includes ¥8,065 million in intersegment eliminations and ¥△6,792 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the Head Office of the parent company.
- (2) The ¥293,069 million adjustment in segment assets includes ¥△1,587 million in intersegment eliminations, ¥184,757 million in surplus operational funds at the parent company (cash and time deposits), ¥103,796 million in long-term investments (investment securities, etc.) and ¥6,103 million in the parent company's Head Office building, etc.
- (3) The ¥79 million adjustment of depreciation expenses are the fixed assets amortization expenses for the parent company's Head Office.

2. The breakdown of countries and regions other than Japan and China is as follows:

- (1) North America: United States and Mexico
- (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
- (3) Europe: United Kingdom and Czech Republic
- (4) Other regions: Brazil

3. Segment operating income or loss is adjusted to operating income in the consolidated financial statements.

II Fiscal 2024 (April 1, 2023 to March 31, 2024)

(¥ millions)

	Japan	North America	China	Asia	Europe	Other regions	Total	Adjustment (Note 1)	Amount recorded on consolidated financial statements (Note 3)
Net sales									
Sales to outside customers	361,784	286,582	82,351	153,317	49,802	16,457	950,295	—	950,295
Inter-segment sales and transfers	24,730	3	4,860	3,008	59	—	32,663	(32,663)	—
Total	386,515	286,586	87,211	156,326	49,862	16,457	982,958	(32,663)	950,295
Segment operating income or loss	33,959	442	△519	15,022	2,170	1,761	52,838	3,157	55,995
Segment assets	190,921	155,610	102,464	156,026	34,425	20,928	660,377	305,218	965,595
Other items									
Depreciation	18,108	11,075	4,514	7,117	2,626	402	43,844	155	44,000
Impairment loss	135	—	311	—	234	—	681	—	681
Increase in property, plant and equipment and intangible fixed assets	17,742	11,831	5,562	5,735	1,032	623	42,527	—	42,527

Notes: 1. Adjustments are as follows:

- (1) The ¥3,157 million adjustment in segment operating income includes ¥9,675 million in intersegment eliminations and ¥△6,517 million in unallocated expenses. Unallocated expenses comprise expenses related to management divisions such as administrative and accounting divisions of the Head Office of the parent company.
- (2) The ¥305,218 million adjustment in segment assets includes ¥△1,296 million in intersegment eliminations, ¥146,363 million in surplus operational funds at the parent company (cash and time deposits), ¥154,488 million in long-term investments (investment securities, etc.) and ¥5,663 million in the parent company's Head Office building, etc.
- (3) The ¥155 million adjustment of depreciation expenses are the fixed assets amortization expenses for the parent company's Head Office.

2. The breakdown of countries and regions other than Japan and China is as follows:

- (1) North America: United States and Mexico
- (2) Asia: Thailand, Indonesia, Taiwan, India and Malaysia
- (3) Europe: United Kingdom and Czech Republic
- (4) Other regions: Brazil

3. Segment operating income or loss is adjusted to operating income in the consolidated financial statements.

(Per Share Information)

Fiscal 2023 April 1, 2022 to March 31, 2023		Fiscal 2024 April 1, 2023 to March 31, 2024	
Net assets per share	¥1,955.44	Net assets per share	¥2,182.85
Net income per share	¥92.26	Net income per share	¥130.93
Profit per share after adjustment for dilution	¥92.24	Profit per share after adjustment for dilution	¥130.90

The following shows the basis for calculation of profit per share, and profit per share after adjustment for dilution.

	Fiscal 2023 April 1, 2022 to March 31, 2023	Fiscal 2024 April 1, 2023 to March 31, 2024
(1)Net income per share	¥92.26	¥130.93
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	¥29,660 million	¥40,879 million
Amount not attributable to common stock	—	—
Profit attributable to shareholders of common stock of parent	¥29,660 million	¥40,879 million
Average number of shares outstanding during the period (thousand shares)	321,489	312,231
(2)Profit per share after adjustment for dilution	¥92.24	¥130.90
(Basis for calculation)		
Adjustment to profit attributable to owners of parent	—	—
Increase in the number of common stocks (thousand shares)	82	52
(Acquisition of property and equipment)	82	52
Details of material change from the end of previous fiscal year for latent stocks without a dilution effect, which were not included in the calculation of profit per share after adjustment for dilution	—	—

Note: A 2-for-1 stock split of common stock was conducted, effective as of October 1, 2022. “Net assets per share”, “Net income per share” and “Profit per share after adjustment for dilution ” are calculated assuming that the stock split was conducted at the beginning of the fiscal 2023.

(Significant Subsequent Events)

None.